

103^D CONGRESS
1ST SESSION

H. R. 2749

To prohibit the transportation in interstate commerce or from any foreign country into the United States of services provided by convicts or prisoners, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 1993

Mr. GONZALEZ submitted the following bill; which was referred jointly to the Committees on Ways and Means and the Judiciary

A BILL

To prohibit the transportation in interstate commerce or from any foreign country into the United States of services provided by convicts or prisoners, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Convict Service Labor
5 Prohibition Act of 1993”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—The Congress finds that—

1 (1) the United States exists in a changed inter-
2 national economic environment;

3 (2) one part of this changed market place is an
4 increase in international trade and an advocacy by
5 many policy makers and many in the private sector
6 of so-called free trade, based on the reduction of tar-
7 iff and non-tariff barriers to trade, a major mani-
8 festation of which is the negotiation of a North
9 American Free Trade Agreement;

10 (3) although expanded trade may provide in-
11 creased economic opportunity for some segments of
12 the United States society, it may also cause the loss
13 of thousands of United States jobs. As United
14 States companies move their operations out of the
15 United States to take advantage of labor that costs
16 as little as one-tenth of the wages of United States
17 workers, the well-being of working people across the
18 United States is threatened;

19 (4) another part of the changed United States
20 market place is the greatly increased importance of
21 the service sector and of service-based jobs in the
22 United States;

23 (5) the United States Customs Service ruled on
24 July 15, 1992, in a case involving the sorting of cou-
25 pons by Mexican prisoners in a maquiladora oper-

1 ation that existing Federal law does not prohibit the
2 importation of goods upon which services were per-
3 formed by forced, convict or prison labor;

4 (6) the Customs Service ruling of July 15,
5 1992, allows the performance of a wide range of
6 service activities, including laundry cleaning, auto
7 repair, appliance repair, and many others, by pris-
8 oners in Mexico and other countries, possibly even
9 including some assembly operations that make up so
10 much of the so-called off-shore enterprises;

11 (7) the Customs Service ruling of July 15,
12 1992, will cost thousands of additional United
13 States jobs as international trade continues to ex-
14 pand and U.S. companies continue to take advan-
15 tage of low-waged labor, including imprisoned work-
16 ers, against which United States workers cannot
17 compete; and

18 (8) existing Federal trade law is intended to
19 protect United States workers from the unfair for-
20 eign competition of work done in other countries by
21 forced, convict or prison labor; however, in light of
22 the Customs Service ruling of July 15, 1992, exist-
23 ing Federal law is clearly inadequate to protect
24 United States workers.

1 (b) PURPOSE.—The purpose of this Act is to amend
2 and enhance Federal law protections for United States
3 jobs by prohibiting the importation into the United States
4 from any other country goods on which services were per-
5 formed by convicts or prisoners, and by establishing pen-
6 alties for violation of this Act.

7 **SEC. 3. TRANSPORTING OR IMPORTING GOODS MADE BY**
8 **OR SERVICES PROVIDED BY CONVICTS OR**
9 **PRISONERS.**

10 Section 1761 of title 18, United States Code, is
11 amended in subsection (a) by inserting after “mined,” the
12 following: “or on which services were performed,”.

13 **SEC. 4. FAILURE TO MARK PACKAGES MADE BY AND IDEN-**
14 **TIFY SERVICES PROVIDED BY CONVICTS OR**
15 **PRISONERS.**

16 Section 1762(a) of title 18, United States Code, is
17 amended by inserting after “mined,” the following: “or on
18 which services were performed,”.

19 **SEC. 5. ENFORCEMENT OF PROHIBITION AGAINST IMPOR-**
20 **TATION OF CONVICT-MADE GOODS.**

21 Section 307 of the Tariff Act of 1930 (19 U.S.C.
22 1307) is amended—

23 (1) by striking “All goods” and inserting “(a)
24 IN GENERAL—All goods”;

1 (2) in subsection (a) (as designated by para-
2 graph (a) of this subsection)—

3 (A) by inserting after “manufactured” the
4 following: “, or on which services are per-
5 formed,”; and

6 (B) by striking the second sentence;

7 (3) by striking “ ‘Forced Labor,’ ”; and

8 (4) by adding at the end the following new sub-
9 section:

10 “(c) PENALTIES.—

11 “(1) IN GENERAL.—Any person who—

12 “(A) enters or imports, or attempts to
13 enter or import, goods, wares, articles, or mer-
14 chandise into the customs territory of the
15 United States in violation of subsection (a); and

16 “(B) knew or should have known that such
17 entry or importation, or attempted entry or im-
18 portation, was in violation of such subsection,
19 shall be liable to pay to the United States a
20 civil penalty.

21 “(2) AMOUNT OF PENALTY.—Any civil penalty
22 imposed under paragraph (1) shall be in an amount
23 not to exceed—

24 “(A) \$10,000 for one violation;

1 “(B) \$100,000 in the case of a person pre-
2 viously subject to a penalty for one violation
3 under this section; or

4 “(C) \$1,000,000 in the case of a person
5 previously subject to penalties for more than
6 one violation under this section.

7 “(3) REGULATIONS REQUIRED.—The Secretary
8 of the Treasury shall by regulation, within one year
9 of the date of enactment of this Act, prescribe proce-
10 dures for imposing penalties under this section, in-
11 cluding, but not limited to, prepenalty notice.”.

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